Senate Study Bill 3101 - Introduced

SEN	ATE FILE	
ВУ	(PROPOSED COMMITTEE C	ŊΝ
	TRANSPORTATION BILL B	3 Y
	CHAIRPERSON BROWN)	

A BILL FOR

- 1 An Act relating to motor vehicle body damage repairs performed
- 2 under a motor vehicle insurance policy and deceptive acts or
- 3 practices by motor vehicle insurers.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. ____
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- 1 Section 1. Section 507B.4, subsection 3, paragraph j, Code
- 2 2022, is amended by adding the following new subparagraph:
- 3 NEW SUBPARAGRAPH. (16) Failing to comply with section
- 4 537B.7, subsection 2.
- 5 Sec. 2. Section 507B.6, subsection 1, Code 2022, is amended
- 6 to read as follows:
- 7 1. Whenever the commissioner believes that any person has
- 8 been engaged or is engaging in this state in any unfair method
- 9 of competition or any unfair or deceptive act or practice
- 10 whether or not defined in section 507B.4, 507B.4A, or 507B.5,
- 11 or 537B.7, and that a proceeding by the commissioner in respect
- 12 to such method of competition or unfair or deceptive act or
- 13 practice would be in the public interest, the commissioner
- 14 shall issue and serve upon such the person a statement of the
- 15 charges in that respect and a notice of a hearing on such the
- 16 charges to. The hearing shall be held at a time and place fixed
- 17 in the notice, which shall not be less than ten days after the
- 18 date of the service of such the notice.
- 19 Sec. 3. Section 507B.12, subsection 1, Code 2022, is amended
- 20 to read as follows:
- 21 1. The commissioner may, after notice and hearing,
- 22 promulgate reasonable rules, as are necessary or proper to
- 23 identify specific methods of competition or acts or practices
- 24 which are prohibited by section 507B.4, 507B.4A, or 507B.5,
- 25 or 537B.7 but the rules shall not enlarge upon or extend the
- 26 provisions of such sections. Such rules shall be subject to
- 27 review in accordance with chapter 17A.
- 28 Sec. 4. NEW SECTION. 537B.7 Deceptive act or practice —
- 29 insurer.
- 30 l. As used in this section:
- 31 a. "Claimant" means a person seeking body repair of a motor
- 32 vehicle whether that person is the insured person or a third
- 33 party making a claim against the insurer.
- 34 b. "Motor vehicle" means the same as defined in section
- 35 537B.4.

- 1 c. "Repair facility" means the same as defined in section 2 537B.4.
- 3 2. An insurer shall pay the amount to repair body damage
- 4 to a motor vehicle covered by a motor vehicle insurance policy
- 5 as calculated by the estimating system which the insurer
- 6 and the repair facility have agreed to use to determine the
- 7 cost of repair, using the original equipment manufacturer's
- 8 specifications, of a claimant's motor vehicle.
- 9 3. A violation of this section shall be an unfair or
- 10 deceptive act or practice in the business of insurance as
- 11 provide in section 507B.4, subsection 3, paragraph "j",
- 12 subparagraph (16).
- 13 EXPLANATION
- The inclusion of this explanation does not constitute agreement with the explanation's substance by the members of the general assembly.
- 16 This bill relates to the repair of body damage to a motor
- 17 vehicle covered by a motor vehicle insurance policy and to
- 18 deceptive acts or practices by motor vehicle insurers.
- 19 The bill makes it an unfair or deceptive act or practice in
- 20 the business of insurance for an insurer to fail to pay the
- 21 amount to repair body damage to a motor vehicle covered by a
- 22 motor vehicle insurance policy as calculated by the estimating
- 23 system which the insurer and the repair facility have agreed to
- 24 use to determine the cost of repair.
- 25 "Claimant" is defined in the bill as an insured person,
- 26 or a third party making a claim against the insurer, seeking
- 27 body repair of a motor vehicle. "Motor vehicle" and "repair
- 28 facility" are defined in the bill.
- 29 The bill makes conforming changes to Code sections 507B.6
- 30 and 507B.12.